

# 2010 **Durham** Workforce Development Board **Retreat**



MARCH 25, 2010 | DURHAM WORKFORCE DEVELOPMENT BOARD

# CONTRACTED TO DIRECT SERVICES

## WHY THIS PRESENTATION?

- To introduce and/or re-introduce the idea of bringing services “in house” to achieve a cost savings in the administration of youth, adult and dislocated worker services
- To begin a discussion of pros and cons related to contacting or bringing services “in house”

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## BACKGROUND

- Idea initially brought to Committees for vote at their meetings in early March
- Youth Council voted against 5 - 4
- JobLink Committee voted for unanimously
- Executive Committee asked that it be brought to the Retreat for discussion only

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## HISTORY OF CONTRACTING SERVICES

- “JTPA to WIA”

Jobs Training Partnership Act to Workforce Investment Act of 1998

- What does the WIA Legislation Allow?
- Why Have We Contracted Services in the Past?

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## CONTRACTING v/s. “IN-HOUSE” SERVICES

### DIRECT SERVICE ADVANTAGES

- **Less Resources for Administrative Costs = More Resources for Putting People to Work**
- **Reduced Administrative, Overhead, and Profit Costs**
- **ECONOMIES OF SCALE = SAVINGS**



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## CONTRACTING v/s. “IN-HOUSE” SERVICES

### DIRECT SERVICE DISADVANTAGES

- *Not in spirit of Workforce Investment Act Legislation*
- *Not as many resources available to community-based organizations*





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## CONTRACTING v/s. “IN-HOUSE” SERVICES

### CONTRACTING ADVANTAGES

- *More Resources made available to non-City agencies*
- *Premise, spirit, and intention of Workforce Investment Act*
- *Ability to create open competition every other year*



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## CONTRACTING v/s. “IN-HOUSE” SERVICES

### CONTRACTING DISADVANTAGES

- Higher Overall Administrative, Overhead, Staffing Costs
- Profit Costs for Private Contractors





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## CITY PROVIDING DIRECT SERVICES

### Experience & Demonstrated Successes

- **Directly Administering over \$1-Million dollars in Federal funding for ARRA (stimulus) Adult and Youth Work Experience Programs**
  - providing direct intake, counseling, and job placement services for 230 youth and 67 adults
- **EPA Brownfields Job Training Program**
  - providing direct outreach, recruitment, and job placement services 66 participants
- **City Ex-Offender Program**
  - providing Comprehensive Case Mgmt. and Employment & Training Services to 150 ex-offenders “Hard to Serve Population”
- **Pilot Green Job Training Program**



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## Other Workforce Boards Providing Direct Services

- **Guilford County Workforce Board (Greensboro)**
- **Cumberland County Workforce Board (Fayetteville)**



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*What is in the Greatest Interest for Durham Citizens?*

- Can the City provide direct services without sacrificing quality of service while saving dollars?
- Philosophy vs. Economy

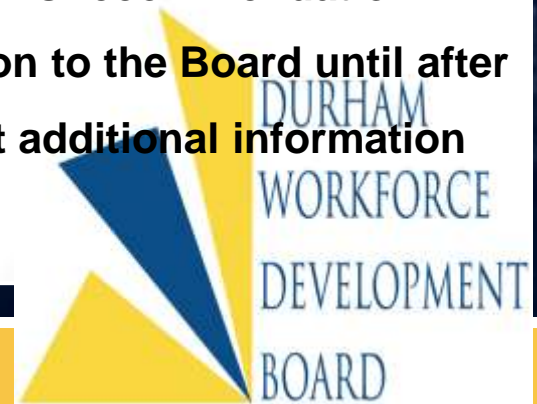


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## FAQs

***Q. Have the DWDB Committees reviewed this idea and what has been their proposed recommendation(s)?***

- A. The Youth Council, JobLink Steering Committee, and Executive Committees all convened meetings during the week of March 8-12, and discussed/deliberated the idea of converting contracted program services to direct services that would be implemented by OEWD
- **The Youth Council voted against this recommendation 5 to 4**
  - **The JobLink Steering Committee unanimously approved this recommendation**
  - **Executive Committee asked to postpone a recommendation to the Board until after the Board had a chance to review information and request additional information**



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## FAQs

### ***Q. Are Workforce Boards allowed to provide Direct Services?***

*A. Yes. The federal Workforce Investment Act stipulated that waivers could be granted to states for local areas to not bid out services. North Carolina exercised this waiver- As previously stated, several workforce boards across the state provide “in-house” services*



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## FAQs

***Q. How many Youth Counselors and/or Case Managers will need to be brought on staff “in-house” in order to provide the same level of service to the same number of clients?***

***A. Eight (8)***





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## *FAQs*

**Q.** Will the programs be compromised if brought “in-house”?

**A.** We anticipate no drop-off in service quality, as previously stated, DWDB staff has over 30 years of collective direct service experience in Human Services and Workforce Development. This collective experience has led to strong performance in various special programs for hard to serve populations



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## FAQs

***Q. What services and/or uses would the savings go toward?***

- A. Staff will recommend to the committees and to the DWDB that cost savings be reinvested back into successful program elements, such as “Paid-Work Experience; Occupational Skills Training; and Support Services. DWDB members will have the opportunity to decide where savings can be reallocated.

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## FAQs

### ***Q. How were projected staff costs derived in the hand-out?***

A. Staff took/used the average Career Counselor and Case Manager salaries that are currently being paid under the contracts to come-up with the projected “in-house” base salary costs. The average Youth Counselor is currently being paid \$35,000 under the WIA Youth contract and the average Case Manager/Career Counselor for the adult program is being paid \$42,000.



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## FAQs

***Q. What are the qualifications and/or ability of current staff in providing direct services?***

*A. The majority of current staff have direct service experience; with several staff having multiple years (combined 35+ years) of experience either operating or working in direct service programs as career counselors. In addition, staff have become highly proficient in teaching, and maximizing performance measures*



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## FAQs

***Q. When would a final decision need to be made in converting these services?***

***A. Staff would like to gain questions from Board members at this meeting and address them by e-mail in April. Staff would then like to make a recommendation to the Board for the May 27, 2010 meeting.***

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*What do you think??*





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## *HANDOUTS*

- ***Contract Budget Sheets***

- WIA Adult & Dislocated Worker Contract Sheet*

- WIA Youth Contract Sheet*

